GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2691
ANSWERED ON:31.08.2007
WITHDRAWAL OF SARAL FORMS
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Will the Minister of FINANCE be pleased to state:

(a) the reasons for withdrawal of "saral forms" (ITR);

(b) whether the Government has taken the feedback from the people before making changes in ITR forms; and

(c) if so, the response of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) The earlier 'Saral' form was designed under the flawed assumption that the tax-payer was fully conversant with the various steps in the computation of total income and the tax liability thereon. These forms neither provided the steps for computation of income nor did they provide any kind of guidance/ assistance leading to the computation of a taxpayer's tax liability. Therefore, a taxpayer had to necessarily depend upon making the computation in a separate sheet based on his own understanding of the various steps involved in this process. Alternatively, the tax-payer was forced to use professional advice to fill out the form. Besides, the space available for filling various information was also extremely limited. Separate computation sheet running into couple of pages, TDS certificates, account statements and other documents were invariably annexed to the earlier 'Saral' form. Effectively, the form ceased to be a one-page form and was therefore, not compatible with the electronic mode of filing returns. Hence, it was decided to discontinue with the earlier 'Saral' form.

(b) Yes, Sir. The draft of the new ITR forms was made public on 29.4.2007. The comments of the Institute of Chartered Accountants of India (ICAI) were also invited.

(c) The comments/suggestions of ICAI were examined and suitably incorporated in thesenew forms. Further, the new return forms for the assessment year 2007-08 have also been designed, incorporating therein the recommendations of the Parliamentary Standing Committee on Finance. The ITR forms were finally notified on 14.5.2007.